

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
W. R. GRACE & CO., et al.¹)
Debtors.) Case No. 01-01139 (JKF)
) (Jointly Administered)
)
) Objection Deadline: January 8, 2010 at 4:00 p.m.
) Hearing Date: January 25, 2010 at 10:30 a.m.
) Related Docket No. 24031

**ASBESTOS PI FUTURE CLAIMANTS' REPRESENTATIVE'S
RESPONSE TO CANADIAN ZAI CLAIMANTS' APPLICATION
FOR APPOINTMENT OF SPECIAL COUNSEL**

David T. Austern, the Court-appointed legal representative for future asbestos personal injury claimants (the "PI FCR") respectfully submits this response (the "Response") to the Canadian Zonolite Attic Insulation Claimants' (collectively, "Canadian ZAI Claimants") application seeking entry of an order authorizing the appointment of Lauzon Bélanger S.E.N.C.R.L. and Scarfone Hawkins LLP (collectively, "Representative Counsel") to represent the interests of the Canadian ZAI Claimants (the "Application") (Dkt. No. 24031).

The Application states that, pursuant to the CCAA Appointment Order (defined below),

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

Representative Counsel was appointed by the Ontario Superior of Justice (the “CCAA Court”) to represent the interests of Canadian ZAI Claimants, both for property damage and personal injury claims in connection with the proceedings before the CCAA Court and is authorized by the CCAA Court to seek to appear or have an agent seek to appear in the Debtors’ Chapter 11 cases (the “CCAA Appointment Order”). Application at 1. Pursuant to the CCAA Appointment Order, Representative Counsel was appointed to represent the interests of “all persons who have, or at any time in the future may have a claim, arising out of or in any way connected to damages or loss suffered, directly or indirectly, from the manufacture, sale or distribution of Zonolite attic insulation products in Canada” by the Debtors. Exh. C to Application.

While the PI FCR does not object to the relief sought in the Application with respect to Representative Counsel’s authority to represent the interests of present Canadian ZAI Claimants, for the avoidance of doubt, the PI FCR respectfully requests that any order approving the Application clarify that, in connection with the Debtors’ Chapter 11 cases, and consistent with Section 524(g)(4)(B)(i) of the Bankruptcy Code and this Court’s May 24, 2004 Order appointing the PI FCR (Dkt. No. 5645), only the PI FCR represents the interests of holders of future asbestos personal injury demands, including, but not limited to, asbestos personal injury demands directly or indirectly arising out of or in any way connected to the Debtors’ manufacture, sale or distribution of Zonolite attic insulation products in Canada.

Dated: January 8, 2010

Respectfully submitted,

PHILLIPS, GOLDMAN & SPENCE, P.A.

/s/ John C. Phillips

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